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PROTECTION

CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD



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July 2, 2008

Ms. Gerri Silva
Director of Environmental Management
El Dorado County
2850 Fairlane Court, Building C
Placerville, CA 95667-4100

RE: FINAL REPORT – EL DORADO COUNTY, GRANT AGREEMENT
UBG10-04-0019

Dear Ms. Silva:

Enclosed is the final report on the interim audit of El Dorado County's Used Oil Block Grant. This audit, required by Public Resources Code, Section 48657, included a review of receipts, expenditures, internal controls, and compliance with the grant agreement provisions for grant number UBG10-04-0019, awarded for the period July 1, 2004 through June 30, 2007.

CIWMB congratulates the County on the results of this audit. No findings resulted from review of the County provided information. Although, this review was selective and any result cannot be applied with certainty to County's grant program as a whole, we believe that this audit report is reflective of County's proper grant administration. This final report is intended for your use only.

If you have any questions regarding this report, please contact George Mendoza, Manager, Audit Manager, at (916) 324-1358 or gmendoza@ciwmb.ca.gov.

Sincerely,

Susan Villa, Branch Manager
Fiscal Services Branch
California Integrated Waste Management Board

Enclosure

cc: Dave Johnson, Supvg HazMat Specialist, El Dorado County
Kerri Williams, Fiscal Administration Manager, El Dorado County
Corky Mau, Branch Manager, Grant and Loan Resources Branch, CIWMB
Angela Parker, Grant Manager, Grant Programs Section A, CIWMB
Carl Coaxum, Auditor, Audits and Evaluations Unit, CIWMB
CIWMB Audit Unit Files



A GRANT AUDIT

El Dorado County

Used Oil Recycling Bock Grant

Final Audit Report

Grant UBG10-04-0019 (Interim)

**For the Period July 1, 2004
through June 30, 2007**

**Prepared By:
California Integrated Waste Management Board
Audits and Evaluations Unit**

June 2008

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PREFACE

The California Integrated Waste Management Board awarded UBG10-04-0019 Used Oil Recycling Block Grant to El Dorado County. The grant agreement was funded by the Integrated Waste Management Account.

The grant agreement was as follows:

Grant Agreement	Amount	Audit Period
UBG10-04-0019	\$ 47,246	07/01/04 – 06/30/07

The objective of this audit was to determine El Dorado County's compliance with the grant agreement. The audit also assessed El Dorado County's compliance with fiscal and statutory requirements, as well as a review of internal controls.

This report is intended for the information and use of CIWMB and County's management. However, this report is a matter of public record and its distribution is not limited.

STAFF:

Carl Coaxum
Auditor

AUDITOR'S REPORT

Mr. Mark Leary, Executive Director
California Integrated Waste Management Board
1001 I Street, MS-25A
Sacramento, CA 95814

The Audits and Evaluations Unit conducted an interim audit of El Dorado County's (County) Used Oil Recycling Block Grant. Public Resources Code, Section 48657, requires California Integrated Waste Management Board (CIWMB) shall conduct a selective audit of entities to determine whether grants and recycling incentives are being paid out properly. This audit report meets this statutory requirement and is intended for the information and use of CIWMB and the County's management.

This audit included a review of receipts, expenditures, internal controls, and compliance with the grant agreement provisions for UBG10-04-0019, for the period July 1, 2004 through June 30, 2007.

To summarize the grant receipts and expenditures, prepared was Statement of Revenue and Expenditures for this agreement executed between CIWMB and County. The Statement was prepared from County's records and is the responsibility of the County's management. The audit responsibility is to provide management reassurance on the propriety of grant payments as represented by the Statement.

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors. These standards require that we plan and perform the audit to provide reasonable assurance as to whether County is compliant with the requirements of the grant agreement. An audit includes examining, on a substantive and control test basis, evidence supporting sample amounts listed in the Statement and grant compliance disclosures.

As part of the audit, County did provide a management representation letter. This letter is to confirm County's representations provided to us explicitly or implicitly, indicate and document the continuing appropriateness of such representations, and reduce the possibility of misunderstanding concerning the matters that are the subject of the representations.

Compliance


The Statement represents fairly, in all material respects, the claimed and audited revenue and expenditures for the grant agreement.

As part of obtaining reasonable assurance on the Statement, we performed tests of County's compliance with certain regulations and the grant agreement. The results of our tests disclosed noncompliance with the grant agreement requirement(s) regarding the revenue for the County has not been received and/or deposited as of the last day of field examination (as of March 21, 2008).

Management Controls

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures on the Statement and not to provide assurance on the internal control over financial reporting.

This report is intended solely for the information and use of the CIWMB and County's management, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.



Susan Villa, Branch Manager
Fiscal Services Branch
(916) 341-6092

July 2, 2008

STATEMENT OF REVENUE AND EXPENDITURES

El Dorado County
Used Oil Recycling Block Grant UBG10-04-0019
For the Period July 1, 2006 through June 30, 2007

	<u>Claimed</u>	<u>Audited</u>	<u>Questioned</u>
Revenue:			
State Grant	\$28,863.94	28,863.94	\$0.00
Total Revenue	<u>\$28,863.94</u>	<u>28,863.94</u>	<u>\$0.00</u>
 Eligible Expenditures:			
Permanent Collection Facilities	\$ 1,561.41	\$ 1,561.41	\$0.00
Temporary or Mobile Collection	\$ 1,153.51	\$ 1,153.51	\$0.00
Publicity and Education	\$ 4,733.70	\$ 4,733.70	\$0.00
Personnel/Other	\$ 21,415.32	\$ 21,415.32	\$0.00
Total Expenditures	<u>\$28,863.94</u>	<u>\$28,863.94</u>	<u>\$0.00</u>
 Excess of Revenue over Expenditures	<u>\$0.00</u>	<u>\$0.00</u>	
 Total Amount Questioned			<u>\$0.00</u>
 Grant Funds to be Repaid			<u>\$0.00</u>

The accompanying notes are an integral part of this statement.

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NOTES TO THE STATEMENT OF REVENUE AND EXPENDITURES

El Dorado County Used Oil Recycling Block Grant UBG10-04-0019

For Audit Period of July 1, 2004 through June 30, 2007

Note 1 Description of the Reporting Entity

El Dorado (County), a political subdivision of the State of California governed by an elected Board of Supervisors, exercises the powers specified by the Constitution and statutes of the State. The County's reporting entity includes all significant organizations, departments, and agencies over which the County's Board exercises oversight and budgeting responsibilities. The County's Environmental Management Department had general responsibility for this grant project. The City of Placerville authorizes El Dorado's County Environmental Management Department to submit a regional application for the Used Oil Recycling Block Grant (10th Cycle) on behalf of the City of Placerville.

Note 2 Program Information

The California Integrated Waste Management Board (Board) administers the California Oil Recycling Enhancement Act, which includes the disbursement of Used Oil Recycling Block Grants (UBG) from the Used Oil Recycling Fund.

The Legislature enacted the California Oil Recycling Enhancement Act (Public Resources Code Sections 48600 - 48691) to reduce the illegal disposal of used oil, and to recycle and reclaim used oil to the greatest extent possible, in order to recover valuable natural resources and to avoid damage to the environment and threats to public health. The UBG program awards grants to local agencies, which use the funds to implement used oil collection programs.

Note 3 Descriptions of Used Oil Recycling Block Grant

The County's primary goals for the UBG were to safely and properly manage and recycle used oil, assist with the diversion of used oil from local municipal waste streams, and assist with the prevention of environmental degradation.

Note 4 Summaries of Significant Accounting Policies

A. Basis of Presentation

The Statement presented in this report was prepared from the County's accounts and financial transactions. The Statement summarizes the expenditures recorded by the County during the reporting grant term period.

The Statement summarizes the County's transactions pertaining to UBG10-04-0019. It is not intended to represent all of the County's financial activities.

B. Basis of Accounting

The County's accounts are maintained on the modified accrual basis and in accordance with the principles of fund accounting. Under the modified accrual basis, revenues are recorded as they become measurable and available, and expenditures are recorded at the time the liabilities are incurred.

Note 5 Observation

This was an interim audit since the grant payment had not been received by the County as of the last day of the audit field work, March 21, 2008. The County provided documentation reflecting \$28,863.94 claimed and, in turn, audited during this review. The County did not receive the \$47,046.89 grant payment until April 4, 2008. The grant terms period was July 1, 2004, through June 30, 2007.

Total grant amount awarded was \$47,246 less \$199.11 disencumbered equals the \$47,046.89 payment.